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## **OLR Bill Analysis**

### **sHB 5473**

#### ***AN ACT CONCERNING CASH REFUNDS FOR GIFT CARD BALANCES.***

#### **SUMMARY:**

This bill requires anyone accepting a gift card as payment for goods or services to provide a cash refund when the purchaser requests it and there is less than \$5 remaining on the gift card after the purchase.

Under the bill, a “gift card” is a record evidencing a promise, made for consideration, by the seller or issuer that goods or services will be provided to the record’s owner to the value shown in the record. The records include ones that (1) contain a microprocessor chip, magnetic stripe, or other means for storing information and (2) are prefunded and the value is debited each time they are used. Gift cards include an electronic gift cards, stored-value cards or certificates, store cards, or similar records or cards.

A violation is deemed an unfair or deceptive trade practice.

EFFECTIVE DATE: July 1, 2014

#### **BACKGROUND**

##### ***Connecticut Unfair Trade Practices Act (CUTPA)***

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the Department of Consumer Protection (DCP) commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and

impose civil penalties of up to \$5,000 for a willful violation and \$25,000 for violation of a restraining order.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea 11 Nay 6 (03/18/2014)